

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF CIMAREX ENERGY CO. FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 15755

CORRECTED AFFIDAVIT OF LANDON RISER

STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)

Landon Riser, being duly sworn, states:

1. I am the age of majority and am otherwise competent to testify to the matters set forth herein of which I have personal knowledge.

2. I am a reservoir engineer with Cimarex Energy Company in Midland, Texas. Among other areas, I am familiar with the Riverbend 12-13 Federal Com Well No. 29H Well in the W/2 of Sections 12 and 13, Township 25 South, Range 28 East NMPM, Eddy County, New Mexico. I am also familiar with the lands, area development and geology in the vicinity. I have both a Bachelor of Science and a Master of Science degree in Petroleum Engineering from Texas A&M University in College Station, Texas. I also have four years of engineering work experience in the Permian Basin.


3. I have reviewed the AFE attached as Exhibit A to this Affidavit. It is my understanding that this AFE was sent to all working interest owners along with a well proposal letter on February 8, 2017. Copies of these letters were admitted as Cimarex's

Exhibit 3 at the December 21, 2017 hearing in this matter. A separate copy of the attached AFE was also admitted on December 21, 2017 as Cimarex's Exhibit 4.

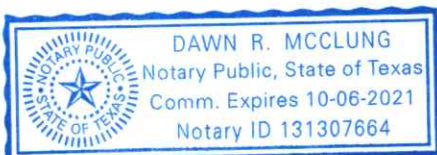
4. Since February 8, 2017, the proposed surface location of the Riverbend 12-13 Federal Com Well No. 29H Well has been changed from 330 feet from the south line and 2200 feet from the west line of Section 1, Township 25 South, Range 28 East, NMPM to a new location 1379 feet from the south line and 1396 feet from the west line of Section 1.¹ The bottom hole location remains 330 feet from the South line and 2200 feet from the west line of Section 13, Township 25 South, Range 28 East, NMPM.


5. It is my testimony that, despite this change in surface location, the cost estimates set forth in the attached Exhibit A remain Cimarex's good faith estimates for the Riverbend 12-13 Federal Com Well No. 29H Well.

FURTHER AFFIANT SAYETH NOT.


Landon Riser

Subscribed, sworn to and acknowledged before me on this 30th day of January, 2018, by Landon Riser.




Notary Public

My commission expires:

10-6-21

¹ The previously-submitted Affidavit of Landon Riser contained a typo, as follows: "...11396 feet from the west line of Section 1." This Corrected Affidavit corrects this error.



Authorization For Expenditure

Company Entity	Date Prepared
Cimarex Energy Co	January 30, 2016

Region	Well Name	Prospect or Field Name	Property Number	Drilling AFE No.
PERMIAN	Riverbend			

Location	County	State	Type Well			
	Eddy	NM	Oil	X	Expl	x
			Gas		Prod	

Estimate Type	Est.Start Date	Est. Comp Date	Formation	Ttl Measured Depth
Original Estimate	x		WOLFCAMP D	21,000'
Revised Estimate				Ttl Vertical Depth
Supplemental Estimate				10,750'

Project Description
Drill a 2 Mile WCMP D well.

Intangibles	Dry Hole Cost	After Casing Point	Completed Well Cost
Drilling Costs	\$2,708,000		\$2,708,000
Completion Costs		\$7,693,502	\$7,693,502
Total Intangible Costs	\$2,708,000	\$7,693,502	\$10,401,502

Tangibles			
Well Equipment	\$368,000	\$364,000	\$732,000
Lease Equipment		\$1,547,791	\$1,547,791
Total Tangible Well Cost	\$368,000	\$1,911,791	\$2,279,791

Plug and Abandon Cost	\$0	\$0	\$0
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Total Well Cost	\$3,076,000	\$9,605,293	\$12,681,293
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Comments on Well Costs
1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Well Control Insurance
Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator’s well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.
<input type="checkbox"/> I elect to purchase my own well control insurance policy.
Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$1,000,000 (100% W.I.) deductible.

Marketing Election
Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex’s Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.
<input type="checkbox"/> I elect to take my gas in kind.
<input type="checkbox"/> I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE
The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Cimarex Energy Co. Approval		
Prepared by	Drilling and Completion Manager	Regional Manager

Joint Interest Approval		
Company	By	Date



Project Cost Estimate

Well Name: Riverbend

	BCP - Drilling (Dry Hole Cost)		ACP - Drilling		Completion / Stimulation		Production Equipment / Construction		Post Completion		Total Well Cost
Intangibles	Codes		Codes		Codes		Codes		Codes		
Roads & Location Preparation / Restoration	DIDC.100	\$200,000			STIM.100	\$3,000	CON.100	\$77,500	PCOM.100	\$23,000	\$303,500
Damages	DIDC.105	\$6,000					CON.105	\$22,500			\$28,500
Mud / Fluids Disposal Charges	DIDC.255	\$90,000			STIM.255	\$53,000			PCOM.255	\$25,000	\$168,000
Day Rate 28.25 DH Days 4.00 ACP Days @ \$18,000 Per Day	DIDC.115	\$527,000	DICC.120	\$72,000							\$599,000
Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.)	DIDC.120	\$25,000									\$25,000
Bits	DIDC.125	\$80,000	DICC.125	\$0	STIM.125	\$0			PCOM.125		\$80,000
Fuel \$2.25 Per Gallon 1,100 Gallons Per Day	DIDC.135	\$82,000	DICC.130	\$0					PCOM.130		\$82,000
Water for Drilling Rig / Completion Fluids (Not Frac Water)	DIDC.140	\$3,000	DICC.135	\$0	STIM.135	\$120,000			PCOM.135		\$123,000
Mud & Additives	DIDC.145	\$220,000									\$220,000
Surface Rentals \$2,500 Per Day (BCP)	DIDC.150	\$96,000	DICC.140	\$0	STIM.140	\$148,000	CON.140	\$23,950	PCOM.140	\$50,000	\$317,950
Downhole Rentals	DIDC.155	\$113,000			STIM.145	\$50,000			PCOM.145		\$163,000
Formation Evaluation (DST, Coring including evaluation, G&G Services)	DIDC.160	\$0			STIM.150	\$0					\$0
Mud Logging	DIDC.170	\$34,000									\$34,000
Open Hole Logging	DIDC.180	\$0									\$0
Cementing & Float Equipment	DIDC.185	\$85,000	DICC.155	\$40,000							\$125,000
Tubular Inspections	DIDC.190	\$35,000	DICC.160	\$5,000	STIM.160	\$4,000			PCOM.160		\$44,000
Casing Crews	DIDC.195	\$20,000	DICC.165	\$13,000	STIM.165	\$0					\$33,000
Extra Labor, Welding, Etc.	DIDC.200	\$20,000	DICC.170	\$3,000	STIM.170	\$0	CON.170	\$646,500	PCOM.170		\$669,500
Land Transportation (Trucking for tangibles)	DIDC.205	\$25,000	DICC.175	\$8,000	STIM.175	\$4,000	CON.175	\$30,000	PCOM.175		\$67,000
Supervision \$4,000 Per Day	DIDC.210	\$137,000	DICC.180	\$16,000	STIM.180	\$110,000	CON.180	\$46,300	PCOM.180		\$309,300
Trailer House / Camp / Catering \$600.00 Per Day	DIDC.280	\$23,000	DICC.255	\$2,000	STIM.280	\$12,000					\$37,000
Other Misc Expenses	DIDC.220	\$5,000	DICC.190	\$0	STIM.190	\$0	CON.190	\$0	PCOM.190		\$5,000
Overhead	DIDC.225	\$5,000	DICC.195	\$5,000							\$10,000
Remedial Cementing	DIDC.231	\$0			STIM.215	\$0			PCOM.215		\$0
MOB/DEMOB	DIDC.240	\$150,000									\$150,000
Directional Drilling Services	DIDC.245	\$414,000									\$414,000
Crane for Construction							CON.230	\$0			\$0
Solids Control	DIDC.260	\$76,000									\$76,000
Well Control Equip (Snubbing Svcs.)	DIDC.265	\$91,000	DICC.240	\$5,000	STIM.240	\$41,000			PCOM.240		\$137,000
Fishing & Sidetrack Operations	DIDC.270	\$0	DICC.245	\$0	STIM.245	\$0			PCOM.245		\$0
Completion Rig					STIM.115	\$9,000			PCOM.115		\$9,000
Coil Tubing					STIM.260	\$200,000			PCOM.260		\$200,000
Completion Logging, Perforating, WL Units, WL Surveys					STIM.200	\$179,000			PCOM.200		\$179,000
Composite Plugs					STIM.390	\$96,000			PCOM.390		\$96,000
Stimulation Pumping Charges, Chemicals, Additives, Sand					STIM.210	\$3,768,000			PCOM.210		\$3,768,000
Stimulation Water / Water Transfer / Water Storage					STIM.395	\$708,000					\$708,000
Cimarex Owned Frac / Rental Equipment					STIM.305	\$40,000					\$40,000
Legal / Regulatory / Curative	DIDC.300	\$10,000					CON.300	\$0			\$10,000
Well Control Insurance \$0.35 Per Foot	DIDC.285	\$7,000									\$7,000
Contingency 5.0 % of Drilling Intangibles	DIDC.435	\$129,000	DICC.220	\$8,000	STIM.220	\$277,000	CON.220	\$298,498	PCOM.220	\$0	\$712,498
Construction For Flow Lines							CON.310	\$451,254			\$451,254
Construction For Sales P/L							CON.265	\$0			\$0
Total Intangible Cost		\$2,708,000		\$177,000		\$5,822,000		\$1,596,502		\$98,000	\$10,401,502

Tangible - Well Equipment											
Casing	Size	Feet	\$ / Foot								
Drive Pipe	0	0	\$0.00	DWEB.150	\$0						\$0
Conductor Pipe	0	0	\$0.00	DWEB.130	\$0						\$0
Water String	13 3/8"	450	\$31.00	DWEB.135	\$14,000						\$14,000
Surface Casing	9 5/8"	1990	\$18.00	DWEB.140	\$36,000						\$36,000
Intermediate Casing 1	7 "	9930	\$29.00	DWEB.145	\$288,000						\$288,000
Intermediate Casing 2	0	0	\$0.00	DWEB.155	\$0						\$0
Drilling Liner	0	0	\$0.00	DWEB.160	\$0						\$0
Production Casing or Liner	4 1/2"	11280	\$10.00		DWEA.100	\$113,000					\$113,000
Production Tie-Back	0	0	\$0.00		DWEA.165	\$0	STIMT.101	\$0			\$0
Tubing	2 7/8"	9300	\$6.00				STIMT.105	\$56,000	PCOMT.105	\$0	\$56,000
Wellhead, Tree, Chokes				DWEB.115	\$30,000	DWEA.120	\$25,000				\$100,000
Liner Hanger, Isolation Packer				DWEB.100	\$0	DWEA.125	\$90,000				\$90,000
Packer, Nipples							STIMT.400	\$20,000	PCOMT.400	\$0	\$20,000
Pumping Unit, Engine							STIMT.405	\$0	PCOMT.405	\$0	\$0
Downhole Lift Equipment (BHP, Rods, Anchors, ESP, GVLs, PC Pump)							STIMT.410	\$15,000	PCOMT.410	\$0	\$15,000
Tangible - Lease Equipment											
N/C Lease Equipment							CONT.400	\$359,250			\$359,250
Tanks, Tanks Steps, Stairs							CONT.405	\$126,000			\$126,000
Battery (Heater Treater, Separator, Gas Treating Equipment)							CONT.410	\$458,800			\$458,800
Secondary Containments							CONT.415	\$105,000			\$105,000
Overhead Power Distribution (electric line to facility)							CONT.420	\$44,000			\$44,000
Facility Electrical & Automation							CONT.425	\$125,490			\$125,490
SWD Connection							CONT.430	\$0			\$0
Flow Lines (Line Pipe from wellhead to central facility)							CONT.435	\$263,451			\$263,451
Pipeline to Sales							CONT.440	\$0			\$0
Meters and Metering Equipment							CONT.445	\$65,800			\$65,800
Total Tangibles				\$368,000	\$228,000	\$136,000		\$1,547,791	\$0		\$2,279,791

P&A Costs	DIDC.295	\$0	DICC.275	\$0							\$0
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Total Cost		\$3,076,000	\$405,000	\$5,958,000	\$3,144,293	\$98,000					\$12,681,293
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